

Pact Group Holdings Ltd
ABN: 55 145 989 644

Modern Slavery Statement 2020





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Our vision

Our vision is to lead the circular economy through packaging, reuse and recycling solutions. It's a future-driven group commitment, designed to create lasting value.

Pact's entities

Headquartered in Melbourne and listed on the ASX, the Group employs 6,000 people in 110 locations across 15 countries. Pact has three divisions that work as one across the circular economy.

Pact's Packaging division adopts a whole of product lifecycle approach to sustainable packaging solutions. Partnering with companies from global brands to local dairy producers, the Group integrates supply chain efficiencies and sustainable practices into both the design and manufacturing process.

Pact Reuse division eliminates single-use through reuse solutions. This is to ensure vital resources can be swiftly collected, sorted, cleaned and redistributed or repurposed at scale.

Pact's Recycling division reduces waste through recycling solutions. To deliver this at scale, Pact partners with Government bodies, industry groups and customers to continually expand its post-consumer waste recycling capabilities and feed the Group's Packaging and Reuse divisions.

Pact Group also has a contract manufacturing division that provides services in Australia for the home, hygiene, personal care and health and wellness categories.

This statement covers the activities of Pact and its controlled entities. A complete list of controlled entities can be found in the Pact Group Annual Report (<https://pactgroup.com/investor/investor-communications/reports-and-presentations/>).

Our capabilities



Packaging



Reuse

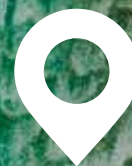


Recycling



Contract Manufacturing

110



operating sites

6,000

employees:
casuals and
contractors



15

countries



Our commitment

This Modern Slavery Statement by Pact Group Holdings Limited (ABN 55 145 989 644) ('Pact') and its controlled entities is prepared as required by the *Modern Slavery Act 2018 (Cth)* for the financial year ended 30 June 2020. This statement is submitted within the temporary extension of reporting deadlines provided under the Act.

Pact is committed to transparency in relation to modern slavery and addressing any modern slavery risks in its operations and supply chain. The purpose of this statement is to outline Pact's approach to ensuring that we have frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chain.

At Pact, we recognise that slavery can occur in many forms, as recognised within the Modern Slavery Act. This can include slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting for labour or services. Pact is fully committed to operating responsibly, establishing and adhering to the highest ethical standards across our group. We will not tolerate any forms of slavery or human trafficking in our business.

Our structure, operations and supply chain

Pact is a publicly listed company, incorporated and domiciled in Australia under the *Corporations Act 2001 (Cth)*. The group has over 6,000 employees with operations in 15 countries around the world. Pact's vision is to lead the circular economy through packaging, reuse and recycling solutions.

Packaging

Pact Packaging is a market leader in rigid plastic packaging in Australia and New Zealand, with a growing platform in Asia. The Division has regional scale with extensive manufacturing footprint supported by innovation and a customer-centric structure.

Reuse

Pact Reuse is the largest provider of returnable produce crate pooling services in Australia and New Zealand and the largest supplier of garment hanger and accessory reuse services globally. The Division is also a leading supplier of plastic materials handling products and custom moulded infrastructure products.

Recycling

Pact Recycling is a leading supplier of recycling and sustainability services in Australia and New Zealand.

Contract Manufacturing

Pact Contract Manufacturing is a leading supplier of services in Australia for the home, hygiene, personal care and health and wellness categories with manufacturing capability for liquid, powder, aerosol and therapeutic nutraceutical products.



Products and Services

Predominantly, Pact transforms plastic resin and steel into packaging and related products that service customers in the fashion, food, dairy, beverage, chemical, agricultural and industrial sectors. This involves packaging design, manufacturing, materials handling solutions, and recycling and sustainability services. Essentially, delivering the best possible packaging, supply chain and recycling solutions.

We also partner with Government bodies and peak industry groups to continually boost our post-consumer waste recycling capabilities. This ensures locally-sourced recycled material helps to feed our packaging business.

Sustainability

Sustainability is a consideration in all of our business decisions. From our vision to our corporate strategy, sustainability underpins and shapes our core philosophy and our day-to-day business decisions. At Pact, we are focused on enabling our customers to cost-effectively meet their sustainability objectives, to benefit the environment and be respectful of the communities in which we operate.

Pact recognises that our business activities have a direct impact on a wide range of stakeholders and the communities in which we operate. All our sites work to reduce overall waste generated by our operating processes. Every site has recycling systems in place and we work with our recycling suppliers to recycle as much waste as possible, rather than sending to landfill.

For us, sustainability is an ongoing process of considering our material issues and seeking to improve our sustainability performance.

Policies

Pact has a range of policies that are consistent with the standards set by the modern slavery legislation. Pact's Code of Conduct, Supplier Code of Conduct and Whistleblower Policy provide a supporting framework for ensuring our workforce and supply chain are managed in an ethical, socially responsible and compliant manner.

Pact's Code of Conduct and Supplier Code of Conduct will be updated within the next reporting period.

Our Quality Policy is in place to ensure we continue to meet the requirements of our customers and to continue to exceed international standards of responsible operation.

Whenever Pact engages the market via a formal tender process, Pact seeks confirmation from our vendors that they can comply with Pact's Code of Conduct and our Supplier Code of Conduct. Our contracts also reference this compliance requirement. Conducting our business ethically and with integrity includes looking at our supply chain. Our suppliers must comply with all local laws and legislation and must declare all instances where the manufacturing of our goods is outsourced.

Achievements

Pact is proud to be named as one of Australia's Most Innovative Companies by The Australian Financial Review for eight consecutive years.

We understand the importance of respecting and improving human rights is fundamental to how we deliver for our shareholders, customers and the broader community.

For more information about our business structure and strategy, please refer to our 2020 Annual Report.

Areas of risk

Pact is committed to minimising the impacts of our products throughout our supply chain. Our supply chain is relatively streamlined due to the nature of our business. Temporary labour accounts for approximately 8% of our expenditure with third parties, and of this, 90% of expenditure is highly concentrated across three providers who have rigorous modern slavery policies and practices.

When Pact engages with suppliers through formal tender processes, Pact requires suppliers to confirm that they will comply with Pact's Code of Conduct to declare all proposed subcontracting and outsourcing.

Pact acknowledges that there is a risk of modern slavery being present in our extended supply chain due to the geographical locations in which we operate. However, Pact has also identified that the bulk of our procurement is not currently in industries or countries that typically carry a high risk of modern slavery.

As can be seen below, Pact sources almost 80% of its inputs from countries that have low risk of modern slavery.

Pact Source of Supply - Country	% of FY20 Spend
Australia*	60%
New Zealand*	12%
China*	10%
Thailand*	4%
Singapore*	3%
South Korea*	2%
Philippines*	1%
Hong Kong*	1%
Germany	1%
Saudi Arabia	1%
United Arab Emirates	1%
United States*	1%
India*	1%
Japan	1%
Indonesia*	<1%
Great Britain	<1%
United Kingdom	<1%
Italy	<1%
Canada	<1%
Netherlands	<1%
Austria	<1%
Czech Republic	<1%
Belgium	<1%
Denmark	<1%
Taiwan	<1%
Switzerland	<1%
Nepal*	<1%
Malaysia	<1%
France	<1%
Ireland	<1%
Philippines (The)*	<1%
Korea*	<1%
Vietnam	<1%
Turkey	<1%
Mexico	<1%
Bangladesh*	<0%
Sri Lanka*	<0%
Barbados	<1%
Netherlands (The)	<1%
Fiji	<1%
Spain	<1%

**Pact has operations in these countries.*

Our approach

In accordance with our Group Risk Appetite, Pact has zero tolerance for any form of modern slavery. Pact is a signatory to the United Nations Global Compact and upholds its 10 principles, including those in relation to human rights and labour.

To ensure efforts are focused appropriately in relation to preparing for modern slavery reporting, it is important for Pact to develop a fit-for-purpose approach based on internal cross-functional collaboration and leveraging appropriate existing processes and frameworks where possible.

Pact's process of conducting tenders and requests for proposals from significant suppliers requires suppliers to confirm their compliance with Pact's Code of Conduct, Supplier Code of Conduct, and that there will be no forced labour, slavery, servitude or similar practices in the supply of goods or services to Pact. Suppliers who do not answer affirmatively will not proceed in the tender process.

Supply chain management

To ensure we meet our obligations under the Act, Pact's standard agreements for the procurement of goods and services contain provisions including:

- a. requirements that our suppliers act in an ethical and socially responsible manner;
- b. requirements that our suppliers become signatories to and adhere to the principles of the United Nations Global Compact;
- c. requirements that our suppliers comply with Pact's applicable policies and codes of conduct;
- d. warranties that suppliers will ensure that no forced labour, slavery, servitude or similar practices are in any way involved in the supply of goods or services to Pact;
- e. warranties that suppliers will maintain appropriate policies and procedures to ensure compliance with the modern slavery legislation;
- f. warranties that suppliers will supply all information and evidence reasonably requested by Pact to demonstrate compliance with the above;
- g. the right for Pact or an independent auditor appointed by Pact to audit the supplier to verify the supplier's compliance with its warranties;
- h. the right for Pact to terminate agreements with suppliers on the basis that the supplier has not complied with its obligations in relation to modern slavery; and
- i. prohibitions on subcontracting the provision of goods or services without Pact's prior written consent.

Where we are not contracting on Pact standard terms, we incorporate provisions addressing modern slavery risks in our suppliers' contracts.

COVID-19 impact

During 2020, we remained focused on the safety and wellbeing of our employees, contractors and communities. The adherence to stringent protocols and effective business continuity measures ensured Pact could continue to operate safely and effectively. The Government's response to address COVID-19 also had a significant impact on shipping availability, price, and demand generally. Some activities, such as additional training for all staff and supplier engagement activities were delayed. As per of our commitment of supply, each plant operates risk management principles to ensure that there is minimal impact to supply from situations such as this.

Effectiveness

We will use Pact's existing enterprise Risk Management Framework to manage our modern slavery risk, including identifying, assessing, addressing and monitoring effectiveness of our risk management.

Pact's future focus



During FY21, Pact's focus will be to:

- Review and update our policies and governance control measures pertaining to risk.
 - Embark on stakeholder engagement on this issue, including delivery of appropriate awareness training sessions on modern slavery principles to relevant Pact staff.
 - Incorporating requirements into our existing assurance processes.
 - Finalise supplier assessment process and conduct due diligence on major suppliers prior to entry into new contracts or renewal of existing contracts.
 - Preparing our first reporting cycle under the Act.
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This statement is signed by Sanjay Dayal in his role as the Managing Director and Group CEO of Pact Group Holdings Limited on 31 March 2021.



Sanjay Dayal

Managing Director and Group CEO for Pact Group Holdings Limited

31 March 2021

*This statement was approved by the Board of Pact Group Holdings Limited on 31 March 2021.

An aerial photograph of a dense forest with a circular overlay in the center. The overlay is a semi-transparent circle with a teal or cyan tint, which serves as a background for the text. The forest below shows a mix of green and brown, suggesting different types of trees and possibly some bare ground or fallen leaves.

Leading the circular economy



Our promise is to create a better
and more prosperous world all round.
That's our future Pact.

Let's lead the
way together.

www.pactgroup.com

